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CENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT

COUNTRY Austria (Russian Zone)

SUBJECT USIVA Methods with German Concerns

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SUPPLEMENT

ORIGIN

50X1-HUM

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1. USIVA, in Starhembergasse, has now asked a number of Austrian firms to make over their German assets on a schilling basis and in return to receive a credit of equal value [redacted] in the form of a bill payable at sight. Most of the firms have refused to sign the bills, in which case the Russians have said that they are willing to postpone payment from one to five years. 50X1-HUM
2. Such bills have already been signed by the following:
  - a. The Austrian representative of the Raxwerke of Wiener Neustadt, Ing. Lovrek, was forced by the Russians to sign a bill payable at sight for the sum of 17,000,000 schillings.
  - b. Ing. Lieb of the Floridsdorfer Locomotivwerke AG had recently to sign a bill for 10,000,000 schillings.
  - c. Director Nenninger of Hofherr Schranz, manufacturers of farm machinery in Vienna, was ordered by the Russians to pay [redacted] taxes due to be paid by the firm. (The Austrian authorities do not recognize this payment as it will not be forwarded on to them.) [redacted] the bill amounts to 10,000,000 schillings. 50X1-HUM
  - d. The Berndorfer Metallwarenfabrik has signed a bill for 10,000,000 schillings.
  - e. König and Bauer (Sic) of Modling has also signed a bill for an unknown amount.
3. The Russians not only claim German assets which as yet have not been officially taken over by them but also claim those whose managers have signed a statement to the effect that the concern has been taken over by the Russians. To the objection raised by some managers that it is not possible to claim liquidation of German assets without compensation to Germany, the Russians retort that it is the business of the firms themselves to liquidate their assets with Germany.
4. The Russians appear to be selling to the Austrians all factories in which they have less than a fifty percent share. On the other hand they wish to purchase enterprises in which they have nearly 100% of the capital.

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-2-

purchase enterprises in which they have nearly 100% of the capital.

5. All managers in Russian-occupied factories have been promoted to General Directors. The intention apparently is that they will be able to stay on in the country as civilians after the withdrawal of the military occupation forces. USIVA is negotiating with the Communist Party in Austria in the choice of suitable experts who can later take over the management of their factories.
6. It is believed by Austrian personnel working with the Russians that the latter's plan is to ensure that their enterprises are not nationalized but later turn them into limited companies which would be nominally owned by the workers.

7. 50X1-HUM  
the Russians loaded 135 cases containing 3748 "Wagenheber" (lifting jacks) in Matzleinsdorf on 26 December 1946. This consignment, which went off on 28 December 1946, weighed 22 Kg. and was made entirely from Austrian materials.

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